

Weather Forecast

Fair tonight; tomorrow increasing cloudiness, not much change in temperature; gentle northeast winds. Temperature today—Highest, 84, at 2 p.m.; lowest, 66, at 6 a.m.
From the United States Weather Bureau report. Full details on Page A-2.

Closing N. Y. Markets—Sales, Page 16.

88th YEAR. No. 35,164.

WASHINGTON, D. C., FRIDAY, AUGUST 9, 1940—THIRTY PAGES. ***

THREE CENTS.

Draft Is 'a Tragic Necessity' To Plug Gaps in U. S. Defense, Sheppard Says, Opening Debate

Volunteer System Too Slow Now, Texan Declares

By the Associated Press.

Senator Sheppard, Democrat, of Texas, opening argument for the Burke-Wadsworth compulsory military service bill, told the Senate today that conscription had become "a tragic necessity" because emergency defense preparations could not be accomplished quickly enough by voluntary enlistments.

"The doctrine and aggressions of certain dictator-controlled nations become every day more menacing toward the free and independent democratic countries," Senator Sheppard asserted in urging adoption of the measure, which would require an estimated 12,000,000 men from 21 through 30 years of age to register.

"The bloody conflicts they have imposed on many of such countries outside the United States and are still imposing on those countries," he continued, "call for the immediate establishment by the United States of a nucleus of armed forces in the air, on the sea and on land properly equipped and capable of expansion within an adequate time into proportions sufficient to overcome attack on the United States or the Western Hemisphere."

Advocates Larger Army.

"The time element is a tragic necessity, because the voluntary system cannot accomplish the emergency work absolutely necessary," Senator Sheppard contended that a larger army was needed immediately to protect American interests in the Western Hemisphere, warning that if the Panama Canal were put out of commission, "our Navy would be helpless."

"There can be no withdrawal from Panama, Hawaii, Puerto Rico or Alaska without vital disaster," he warned. "To permit these strategic areas to fall into the hands of any enemy would jeopardize the security of the continental United States itself."

Previously, Senator Sheppard had announced that the Military Affairs Committee, which he heads, would invite Gov. Lehman of New York and Gov. O'Daniel of Texas to testify in open hearings next week on legislation to set up a "home guard" force.

"Home Guard" Considered.

Several suggestions, including one by President Roosevelt that World War veterans be called into "home guard" service, have been considered by the committee, the chairman said. He said Gov. Lehman had proposed that additional units of the National Guard be organized and equipped with Federal funds to take the place of any that might be drawn into Federal service under legislation approved by the Senate yesterday.

Gov. O'Daniel suggested that Congress authorize the setting up of State troops, equipped and maintained by the State, he pointed out. Overwhelming Senate passage of the bill authorizing the President to muster the National Guard and Army Reserves has emboldened congressional advocates to propose a broader registration program under the compulsory service measure.

Just before the Senate began debate on the conscription issue, Senator Burke, Democrat, of Nebraska disclosed that he had drafted an amendment calling for registration of all men from 21 through 44. The bill approved by the Military Committee fixed the ages at 21 to 30, inclusive.

Sensor Burke said the Senate's 71-to-7 vote yesterday in favor of legislation which could put the Guard and Reserves into active service was evidence that those who want to increase the number of men subject to possible conscription.

Would Double Registration.

This proposed change, he explained, would make 24,000,000 men subject to registration, instead of the 12,000,000 contemplated in the committee-approved measure. In either case only those from 21 through 30 would be liable for immediate draft and military duty.

The Senate adopted unanimously an amendment by Senator Pittman, Democrat, of Nevada to permit Guardsmen and Reservists with dependent wives or children to resign within 30 days after enactment of the measure. Only the day before the chamber had defeated a proposal to let any enrollee quit the service.

Administration forces, aided by some Republican votes, beat off by a 39-to-38 vote an amendment by Senator Adams, Democrat, of (See CONSCRIPTION, Page A-3.)

\$150,000,000 Cotton Loan Approved by President

By the Associated Press.

HYDE PARK, N. Y., Aug. 9.—The temporary White House announced today that President Roosevelt had approved a recommendation by Secretary of Agriculture Wallace for a \$150,000,000 non-mandatory loan on the 1940 cotton crop.

The loans will be handled through the Commodity Credit Corp. The loan rate will be announced later, probably in Washington.

The action was taken under the 1938 Agricultural Adjustment Act. At the same time it was announced the President had signed a bill increasing the resources of the Commodity Credit Corp. from \$900,000,000 to \$1,400,000,000 to carry out the mandatory loan provisions of the 1939 A. A. Act on corn, cotton and wheat.

The bill, S. 3398, was designed to meet marketing emergencies arising from war abroad and to permit temporary advances to other divisions of the Agriculture Department as required by law for short-term seasonal needs.

Tax and Profit Uncertainties Delay Defense, Stimson Says

Compton Also Tells Legislators: Business Firms Balk at Contracts

By the Associated Press.

Secretary of War Stimson and Assistant Secretary of the Navy Compton told a congressional committee today that profit limitations and business uncertainty over tax legislation had delayed production of airplanes, guns, ships and other vital items of the defense program.

The two testified with regard to an excess profits tax containing various provisions designed to speed armament manufacture. One section would permit the cost of plant expansion to be deducted from taxes over a five-year period. Another would lift present profit limitations imposed by the Vinson-Trammell Act.

William S. Knudsen, defense commissioner in charge of production, who likewise appeared at the tax hearing, said the projected Vinson-Trammell suspension and plant expansion provisions had given rise to the feeling that "we are going to have fairly clear sailing from now on."

He also testified that an army of 2,000,000 men could be completely equipped by 1944, but subsequently said he wished to withdraw this estimate and submit a brief on the subject later.

The big, ruddy business executive appeared before the committee without a prepared statement. Right off, he said he was "ignorant of procedure" and, stuffing both hands into trousers pockets, offered to answer any questions he could.

Mr. Compton strongly recommended that any plant expansion legislation enacted be made retroactive to cover existing contracts, "if it can be done without seriously impairing the tax features of the bill."

A number of contractors already have risked their money for plant expansions in the interest of national defense, he said, and he thought they should be accorded (See DEFENSE, Page A-3.)

British Withdraw Troops From Shanghai And North China

By the Associated Press.

LONDON, Aug. 9.—The War Office announced today that "British troops at present stationed in Shanghai and in North China are being withdrawn for service elsewhere."

Authoritative sources said the United States Government had been kept informed of Britain's intentions to withdraw the troops and Japan also had been notified.

These sources said the total number of troops affected was about 15,000, and that protection of British interests would be left to the international police force commanded by the municipal council which governs the Shanghai International Settlement.

No replacements for the British troops were planned, it was reported. While the destination of the men was not given it was considered unlikely they would be taken from the Far East.

(Shanghai reports suggested Hong Kong or Singapore as the destination.)

The troops in Shanghai consist of

Large Fires Started Near U. S. Embassy By Japanese Bombs

By the Associated Press.

CHUNGKING, Aug. 9.—Large fires broke out near the United States Embassy on the south bank of the Yangtze River today when 64 Japanese warplanes, coming in two waves, began Chungking's worst bombing in several weeks.

Authorities expressed fears that casualties would prove heavy, as many people were outside the air-raid shelters when the Japanese planes came.

The area around the American Embassy hitherto has suffered little from air raids. In Shanghai Japanese pilots were quoted as saying the residence of Generalissimo Chiang Kai-shek had been bombed and burned in this raid.

The 2d Battalion of the East Surrey Regiment, the 1st Battalion of the Seaforth Highlanders and several platoons left behind when British soldiers were removed from North China. One company also is stationed at Tientsin.

Informed British said the question of shifting the British forces had been under consideration since before the start of the European war. They declined to comment when asked if the move now had any connection with the British-Japanese crisis, adding only:

"This step arises from the fact that Britain is at war."

The original purpose of keeping troops in China under the 1901 international protocol, officials explained, was to protect British lives and property from banditry and Chinese violence.

They added that, with the development of the Chinese-Japanese war, any practical reason for the (See SHANGHAI, Page A-7.)

French Air Force Loss Put at 29 in 46 Days

By the Associated Press.

VICHY, France, Aug. 9.—The French air force lost 29 per cent of its effectiveness in the 46 days of the German western offensive, it was stated today by the newspaper Le Petit Parisien.

French pilots generally fought against German flyers in the ratio of 1 to 10, it added.

Nazis Resume Plane Attacks On England

New Report Places Reich Loss at 60 In Channel Battle

By the Associated Press.

LONDON, Aug. 9.—Germany paid with loss of at least 60 planes for yesterday's wholesale aerial assaults on British shores and shipping, the Air Ministry reported today, as Nazi air attacks continued.

In all, the Ministry said, 60 German planes were destroyed "and many others damaged"—a toll of about one in seven of "some 400" Nazi raiders it counted in the raids—the greatest attack in British history.

A loss of 16 British planes was acknowledged, but the Air Ministry said three pilots previously counted as missing now are reported safe, two of them wounded.

(The German high command asserted that British losses were 49 planes shot down near the Isle of Wight in the English Channel and off the port of Dover. German losses, it said, were only 10 "three" the British losses.)

Sinkings Multiplied by Three.

An authoritative source said the German communiqué, reporting 12 merchant ships totaling 55,000 tons sunk in the forays, "multiplied by three" the British losses.

Contrary to the German report, this source said, the attacked convoy "contained no tanker nor, indeed, any ship approaching the tonnage figures for single ships given in the German claim," mentioned an 8,000-ton tanker and two steamers of 5,000 and 4,000 tons.

German bombers were shot down today, one by anti-aircraft fire after it had bombed a northeast coastal town and the other by three Spitfires off the northeast coast. Three of the crew of the second Nazi plane were captured in a rubber boat.

Although the intensity of the attacks apparently had slackened, the Air Ministry reported scattered raids throughout the night and today. It disclosed there had been "some damage to property and some casualties, one of which was fatal," in Southwest England.

Casualties "Few."

Renewed bombardments of the Strait of Dover, the Bristol Channel, North Wales and the Midlands also caused some damage and killed "some" persons. Casualties, however, were said to have been "few."

Seven persons were reported killed and 12 injured in collapse of part of a factory in the northwest. The building was surrounded by a military guard after the accident.

In order for the government to Britons to "stay put" lest they be killed was underscored by yesterday's day-long attack in which unofficial tallies reported that 800 Nazi planes roared over the Channel and inland in waves of about 80 planes each. One attack formation included 150 planes, bombers and fighters.

Press Warnings of Mass Raids.

The press warned that the Germans now may stage raids of 500 planes at a time and the public was told to "stay where you are" in a leaflet published by the Ministry of Information and tucked under the doors of millions of homes in the United Kingdom today.

Yesterday's assault was the greatest ever leveled against this island seat of empire. At least 100 German airmen met death, it was claimed.

Last night British airmen were believed to have struck back. Ten German-controlled radio stations went silent, indicating they were destroyed. They were the stations at Stuttgart, Brussels, Cologne, Hildesheim, Leipzig, Berlin, Strasbourg, Frankfurt, Saarbrücken and Hamburg.

The Ministry of Information warning to the public to "stay put" capped a five-day campaign designed to prepare Britons for mass aerial bombardment, if not actual invasion.

The government is represented as content with the navy's ceaseless patrol. Royal Air Force forays over the continental coastline and the army's "stand to" at the dangerous hours of dawn and dusk. The fighting services are secure against surprise, it is held.

To prepare the man in the street, Prime Minister Churchill himself opened the campaign Sunday by warning against "the slightest relaxation."

(See BRITISH, Page A-4.)

Son Born to Princess

By the Associated Press.

ROME, Aug. 9 (AP)—A son was born today to Princess Maria, youngest daughter of King Vittorio Emanuele, who was married to prince Louis of Bourbon-Parma in January, 1939.

Harbor police were searching for the body this afternoon. It was not believed possible that the man could have swum ashore. The full force of the Potomac rickies swiftly through the narrow, rocky gorge where the man disappeared.

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Flynn Calls for Democratic Unity on D. C. Representation

New Party Chairman Would Not Confuse Issue With Self-Government

Edward J. Flynn of New York, new Democratic national campaign manager, today declared his emphatic support for national representation for residents of the District of Columbia and a declaration of party principles and what the party aims to accomplish. I am glad to see that the party leaders in both Senate and House have taken this stand.

Mr. Flynn, who has been in Washington for several days conferring with the President and party leaders, shows that he is well informed on the problems involved and appreciates the reasons Congress is unwilling to relinquish any of its control over the National Capital. He feels with party leaders in Congress that any attempt at this time to put through legislation which would grant elected local self-government in the District would be ill-advised.

The attitude of the new chairman of the Democratic National Committee, personally selected by President Roosevelt to manage his campaign, emphasized that the inclusion of this District suffrage plank in the party platform is a recommendation to all Democrats in Congress that they should support the legislation. By such action, he said, they will carry out the platform pledge and give the people throughout the States an opportunity to vote on the question, through their State Legislatures.

"Of course, I am for anything in

Man Leaps to Death From Chain Bridge After Parking Car

Tags Listed to G. A. O. Accountant, Who Had Obtained Leave Today

A man who parked a sedan on the Virginia end of Chain Bridge shortly after noon today leaped screaming over the railing into the Potomac River, fendered for a moment on the surface and sank as he was swept away by the swift current.

The tags on the car were listed to Arthur H. Bartlett, about 40, a General Accounting Office accountant, of 1424 R street N.W., investigators said. Mr. Bartlett obtained leave of absence from his work this morning, it was said.

The man left a note in the car. Police refused to disclose the contents, but said the note did not divulge the identity of the writer.

Louis S. George of 140 Quincy street N.E., employee of a filling station on the Virginia shore, said he heard a scream and saw a man waving his arms in the current which sweeps through the gorge. The man sank a moment later.

Two See Plunge.

Vernon Goultrie of Alexandria, Va., and Price of 419 Second street N.E., who were fishing from the rocks under the bridge, saw the man plunge from the railing below. He disappeared a moment later, the witnesses said.

At the home of Edward F. Bartlett, commissioner of accounts and deposits, Treasury Department, a brother of Arthur Bartlett, it was said the brother had complained recently that he could not sleep because of the heat. Members of the family were worried about him, it was said.

Mr. Bartlett, a World War veteran, came here from Illinois several years ago. He is unmarried, it was said.

Police Search for Body.

Harbor police were searching for the body this afternoon. It was not believed possible that the man could have swum ashore. The full force of the Potomac rickies swiftly through the narrow, rocky gorge where the man disappeared.

A passer-by who found the note said it was scrawled hastily in pencil on both sides of an envelope. He said the man had written that he "couldn't stand it any more" and "was taking this way out."

Mr. Bartlett had not been seen at his apartment since yesterday afternoon. He lived alone, neighbors said.

Philadelphia Needy Will Get Food Stamps

By the Associated Press.

The Agriculture Department announced today that its stamp plan for distributing surplus food among needy families will be extended to Philadelphia in about a month.

Cudahy Given Reprimand and Ordered Home

State Department Acts After Receiving Notes of Interview

By BLAIR BOLLES.

John Cudahy, American Ambassador to Belgium, was reprimanded publicly by the State Department today and ordered by the President to return to this country immediately for consultation concerning his interview in London on Belgian food conditions.

Acting Secretary of State Welles at his press conference read a prepared statement in which he said the interview given by the Ambassador contained certain opinions "not to be construed as representing the views of this Government."

Transcript Received Here.

The Acting Secretary's statement was prompted by the receipt here of a transcript of the notes of the interview. The statement expanded the general expression of disapproval made by Mr. Welles on Wednesday.

"The incident illustrates once again," the statement said, "the importance which must be attributed to the American representatives abroad to the department's instructions to refrain at this critical time from making public statements other than those made in accordance with the instructions of the Department of State."

Mr. Welles pointed out that the Ambassador's observations violated the department's standing instructions and that the interview was given without the department's authorizing it or being notified in advance about it.

Sincerity Unquestioned.

"I am sure," Mr. Welles said, "that no one will question the sincerity of the Ambassador's sympathetic interest in the future well-being of the Belgian people, an interest which is shared by the people of the United States."

This reference, however, did not soften the firmness of the rebuke meted out to Mr. Cudahy, who was a millionaire real estate operator before he entered diplomacy as a reward for his support of the Democratic party.

"By direction of the President," Mr. Welles' statement concluded, "Ambassador Cudahy has been requested to return to the United States immediately for consultation."

The Ambassador had remarked that Belgium by mid-September would face famine, and intimated that in his view the British should relax their blockade of the Continent to let food supplies from America through.

The Ambassador also compared the conduct of the American soldier in Europe in the last war unfavorably with the conduct of the German soldier today in Belgium.

Mr. Cudahy is the second American chief of mission reprimanded for public statements this year. James H. R. Cromwell, former Minister to Canada, was the first. However, the Cudahy reprimand is more vigorous.

At the same time, Mr. Welles revealed that Norman Armour, American Ambassador to Argentina, is on his way to the United States simply in the interests of a vacation—the first he has had in two years.

The Japanese Ambassador was to call on Mr. Welles this afternoon, but the exact nature of the conversation was not intimated in advance.

The administration is still considering what reply it will make to the representation against the American aviation gasoline export embargo lodged with Mr. Welles by the Japanese Ambassador last Saturday.

Far East Policy Unaffected.

Beyond stating that the withdrawal of British troops from the Shanghai International Settlement would have no effect whatever on our policy in the Far East, Mr. Welles gave no indication what steps the United States would take to protect itself and uphold treaty arrangements in the Settlement.

Mr. Welles said that this Government knew in advance of the British plan to withdraw its troops.

The Swedish Minister and the Spanish Ambassador called on the Acting Secretary this morning. The Swedish Minister wanted some enlightenment about the licensing system recently put in effect for the export of certain materials important in our own preparedness drive.

Windsors Are Planning Visit in U. S. 'Soon'

By the Associated Press.

HAMILTON, Bermuda, Aug. 9.—The Duke of Windsor said today he and his American-born duchess would visit the United States "soon."

"The Duchess hasn't been there for eight years and I haven't been for 16 years, so it's certainly time we went," the Duke said in his first interview since arriving yesterday en route to his post as Governor of the Bahamas.

"When I was last in the United States the Woolworth Building was the highest in New York—that rather dates me," the Duke commented.

(Earlier story on Page A-6.)

Commons to Debate War

By the Associated Press.

LONDON, Aug. 8 (AP)—A debate on the general conduct of the war will be held in the House of Commons in the week starting August 19, the government announced today. Prime Minister Churchill will make a statement.

Democrats to Issue 1940 Campaign Book Despite Legal Opinion

Volume Was Established Before Hatch Act, Michelson States

The Democratic National Committee is issuing a 1940 "campaign book" with "more advertising than usual" despite the brand of illegality put on the venture by Attorney General Jackson, it was disclosed today by Charles Michelson, head of the party publicity organization, at the press conference where Edward J. Flynn, chairman-designate of the committee, discussed presidential campaign plans.

Asked how this program jibed with the Attorney General's opinion, which was given Wednesday in a letter to Senator Hatch, Democrat, of New Mexico, author of the act, in recommending that the legislation be tightened, Mr. Michelson said that when the book was established, there was no Hatch Act provision against it, and that Mr. Jackson had not passed on it.

Price to Be 25 Cents.

A question, asked Mr. Flynn and referred to Mr. Michelson, who sat with him, disclosed the committee's intention.

Mr. Michelson said that the price of the book would be 25 cents. The 1936 book—some of which were autographed by President Roosevelt—brought as high as \$100 a copy either when bought outright or used as advertising mediums.

When the project was under discussion this morning, Mr. Flynn quoted from the committee of the Willkie for President Club.

Proceeds Unestimated.

Asked if he could give a "rough estimate" of the proceeds from the book, Mr. Michelson said no, but that he could "tell you something about the literary contents."

In his letter to Senator Hatch, Attorney General Jackson said that a shortcoming of the present prohibition against advertising devices was that it was directed only against the purchasers. He recommended that the sponsors likewise be made liable to facilitate prosecutions.

Morgenthau Outlines U. S. Fiscal Outlook At Tax Hearing

By the Associated Press.

Secretary Morgenthau gave this summary of the Government's fiscal outlook when he testified at a congressional tax hearing today:

Estimated expenditures for current fiscal year, ending June 30, 1941, \$12,058,000,000.

Estimated revenues (exclusive of proposed new excess profits tax), \$6,387,000,000.

Net deficit, \$5,671,000,000.

Approved and pending appropriations and contract authorizations for Army, \$6,808,000,000; for Navy, \$7,893,000,000.

Total national defense outlay so far voted by Congress, \$14,702,000,000.

Estimated actual cash defense costs this fiscal year, \$5,000,000,000.

Present Federal debt, \$43,803,198,540.

Estimated debt June 30, 1941 (exclusive of proposed new tax), \$48,700,000,000.

(On the basis of these estimates.)

See Borrowing Power Exhausted.

Unless new taxes were enacted, he continued, virtually all of the new \$48,000,000,000 Federal borrowing power would be exhausted by June 30, 1941.

"On the basis of these estimates," (See TAXES, Page A-10.)

U. S. to Build Heavy Tanks; \$5,689,725 Contract Is Let

By the Associated Press.

The Army has decided to build monster land battleships like the 70-ton German tanks which are generally given much of the credit for breaking through French and Belgian fortifications.

The National Defense Commission has cleared a \$5,689,725 contract with the Baldwin Locomotive Works at Philadelphia for construction of heavy tanks.

Army officials refused today to disclose details of the order, but it was reported that the tanks would weigh in the neighborhood of 70 tons each and would carry 75 millimeter cannon, equivalent in size to the famous fast-firing French field gun.

Cost of carrying out the initial order will be high in view of the fact that much new machinery will have to be developed to turn out the parts. Estimates of the number of tanks which would be obtained under the first contract varied from 20 to 50. No date was given as to time deliveries could be made.